Refund of Income tax

557 DR. V. MAITREYAN: Will the Minister of FINANCE be pleased to state:

(a) the total number of refund applications pending with the Income Tax Department for the last three assessment years;

(b) the reasons for the delay in processing the refund cases;

(c) the steps being taken to improve the situation; and

(d) what is the total amount refunded for income tax to the assessee during the last three financial years, year-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) All the returns filed by the assessees for the Assessment Year 2005-06 have been processed/assessed in accordance with the provision of Income Tax Act, 1961. Refunds arising from processing/assessment due to excess taxes paid by/collected from assessees have been issued. Raising of demand for granting of refund to an assessee, consequent to assessment in accordance with the statutory provsions of the Income Tax Act, 1961, is a continuous process in the Income Tax Department. As all the returns are processed, data in respect of returns in which refund is due at pre-processed stage is not maintained separately.

(b) Some delay is caused due to acute shortage of manpower as more than 25% of sanctioned posts are lying vacant in the department. In some cases, verification of taxes paid or deducted is required causing delay in issuing of the refund till verification process is over. The Income-tax Department is trying to fill up these vacancies with the object of reducing the processing time. Computerized processing of returns has been introduced to ensure timely issuance of refund. In some cases refund are delayed due to reasons attributable to assessees, like—

(i) Non-quoting/wrong quoting of PAN number by the assessee.

(ii) Non-furnishing of bank account details by the assessee.

(iii) Incorrect/different address given in the Income Tax assessee.

(iv) Pending de-duplication of PAN.

(c) The following steps have been taken to improve the situation.

(i) Computerized processing of returns has been introduced to ensure timely issue of refunds.

(ii) Electronic Clearing System (ECS) has already been introduced in 25 major cities to directly credit the refunds into the bank account of taxpayer.

(iii) Refund Bankers Scheme has been introduced on a pilot basis to facilitate taxpayers to get timely receipt of refund.

(d) The total amount refunded for income tax to the assessee during the last three financial years available is as under:—

(Rs. in Crores)

Financial Year	Amount of Refund
2004-05	28514
2005-06	29434
2006-07	37313